

## Message Text

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ORIGIN INT-05

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FM SECSTATE WASHDC  
TO GOV GUAM PRIORITY 0478  
TT/LNO GUAM AGANA GUAM PRIORITY

UNCLAS STATE 214496

E.O. 11652: N/A

TAGS: OGEN, GQ

SUBJECT: GUAM PLAN FOR USE OF 25 MILLION DLRS FOR HEALTH  
CARE NEEDS

DOTA NO. 079-GU

1. FOR GOV/GUAM. TT/LNO GUAM, PLS PASS TO US GOVT  
COMPTROLLER FUKUTOME. REFERENCE DOTA NO. 067-GU. THE  
HOUSE AND SENATE APPROPRIATIONS COMMITTEES RECOMMENDED THAT  
THE 25,000,000 DLRS TO BE APPROPRIATED IN THE SECOND 1978  
SUPPLEMENTAL APPROPRIATION ACT BE DISBURSED PURSUANT TO A  
PLAN THAT SPECIFIES THE PURPOSES FOR WHICH THE FUNDS WILL  
BE SPENT AND THAT IS APPROVED BY THE SECRETARIES OF  
INTERIOR AND HEALTH, EDUCATION, AND WELFARE.

2. THE FOLLOWING ARE THE HOUSE AND SENATE APPROPRIATIONS  
COMMITTEE REPORT COMMENTS:

THE HOUSE STATES, "THE COMMITTEE RECOMMENDS 25,000,000  
DLRS FOR THE PURCHASE OF A HEALTH CARE FACILITY ON GUAM  
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AS AUTHORIZED BY PUBLIC LAW 95-134. THE MEDICAL CENTER  
OF THE MARIANAS (MCM), CONSTRUCTED BY THE CATHOLIC  
DIOCES OF AGANA GUAM, BEGAN OPERATIONS IN JANUARY,  
1977. THE OLD INFERIOR GOVERNMENT-OWNED GUAM MEMORIAL  
HOSPITAL (GMH) CONTINUED OPERATIONS CONCURRENTLY AND  
THE COMPETITION FOR PATIENTS RESULTED IN THE FAILURE

OF MCM TO COVER OPERATING COSTS. BEGINNING IN JANUARY 1978, THE GOVERNMENT OF GUAM BEGAN OPERATING THE NEW MCM UNDER A LEASE ARRANGEMENT AND DISCONTINUED ACUTE-

CARE CENTER AND WITH MINIMAL RENOVATIONS TO CONVERT GMH INTO A LONG-TERM CARE CENTER. THE COMMITTEE THINKS THIS APPROACH WILL PROVIDE FOR THE TOTAL HEALTH NEEDS OF THE PEOPLE OF THE ISLAND.

MORE ECONOMICALLY THAN BUILDING A NEW HOSPITAL. THE COMMITTEE UNDERSTANDS THAT SOME IMPROVEMENTS MAY BE NECESSARY AFTER PURCHASE OF THE HOSPITAL, AND WILL CONSIDER FURTHER APPROPRIATIONS IF SUMS ARE AUTHORIZED FOR SUCH EXPENSES. THE COMMITTEE RECOMMENDS THAT THESE FUNDS BE SPENT PURSUANT TO A PLAN APPROVED BY THE SECRETARIES OF INTERIOR AND HEW. THIS PLAN SHOULD SPECIFY THE PURPOSES FOR WHICH THE FUNDS WOULD BE SPENT AND THE CONDITIONS RELATIVE TO HEALTH, SAFETY, AND HOSPITAL MANAGEMENT CONSIDERATIONS THE SECRETARIES DEEM APPROPRIATE. THE GRANT SHOULD BE SUBJECT TO PRE- AND POST-AWARD MONITORING."

THE SENATE STATES, "THE COMMITTEE CONCURS IN THE HOUSE ALLOWANCE OF 25,000,000 DLRS FOR PURCHASE OF A MODERN HEALTH CARE FACILITY ON GUAM, FORMERLY OPERATED BY THE CATHOLIC DIOCESE ON GUA- AS THE UNCLASSIFIED

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MEDICAL CENTER OF THE MARIANAS. THE GOVERNMENT OF GUAM HAS PROPOSED A PLAN TO PURCHASE THE MEDICAL CENTER AND USE THE GOVERNMENT-OWNED GUAM MEMORIAL HOSPITAL AS A LONG-TERM CARE FACILITY. THE COMMITTEE RECOMMENDS THAT THE 25,000,000 DLRS BE DISBURSED PURSUANT TO A PLAN FOR EFFECTIVE HEALTH CARE MANAGEMENT TO BE APPROVED JOINTLY BY THE SECRETARY OF INTERIOR AND THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE. THIS PLAN SHALL SPECIFY THE PURPOSE FOR WHICH THE FUNDS WILL BE SPENT AND INCLUDE SPECIFIC CONDITIONS RELATIVE TO HEALTH, SAFETY, AND HOSPITAL MANAGEMENT CONSIDERATIONS. THIS GRANT SHOULD BE SUBJECT TO PRE- AND POST-AWARD MONITORING."

3. WE EXPECT FINAL CONGRESSIONAL ACTION ON THE BILL SOON AFTER THE LABOR DAY RECESS AND THEREFORE REQUEST THAT THE PLAN CALLED FOR BY THE COMMITTEES BE PRESENTED TO US AS SOON AS POSSIBLE FOR CLEARANCE BY HEW.

4. RECOMMEND THAT YOUR PLAN TAKE INTO ACCOUNT THE AMERICAN APPRAISAL COMPANY APPRAISAL OF \$17,860,000 FOR THE MCM BUILDING AND UNDERLYING LAND; THE ESSENTIAL

IMPROVEMENTS SUCH AS KITCHEN, RENAL DIALYSIS EQUIPMENT, MACHINE SHOP AND BOILER, AND OTHER REQUIRED RENOVATIONS; THE NECESSARY IMPROVEMENTS TO GUAM MEMORIAL HOSPITAL; AND HOW THE HEALTH CARE FACILITY WILL BE MANAGED. HOW MUCH OF THE EXPECTED \$25,000,000 WILL BE DEVOTED TO WHAT PART OF THE FOREGOING KINDS OF ACTIONS AND HOW REMAINING ACTIONS ARE PROPOSED TO BE FINANCED.

5. IN PREPARING YOUR PLAN NOTE IN PARTICULAR THAT COMMITTEE REQUIREMENTS ARE NOT FOR FACILITY ALONE, BUT THAT HOUSE REFERS TO "HEALTH, SAFETY, AND HOSPITAL MANAGEMENT CONSIDERATIONS" AND THAT THE SENATE REFERS TO "EFFECTIVE HEALTH CARE MANAGEMENT."

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6. PLAN NEED NOT BE LENGTHY OR EXHAUSTIVE, BUT IT SHOULD BE SPECIFIC AND PERMIT THE PRE-AWARD AND POST-AWARD MONITORING CALLED FOR BY THE COMMITTEES. A COPY OF THIS MESSAGE IS BEING SENT TO THE GOVERNMENT COMPTROLLER FOR HIS INFORMATION.

7. THIS CABLE HAS BEEN COORDINATED WITH THE UNDER SECRETARY AND THE DESIGNEE OF THE UNDER SECRETARY OF HEW.

GEORGE MILNER, ACTING DIRECTOR, OFFICE OF TERRITORIAL AFFAIRS SENDS. CHRISTOPHER

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